



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 16-286, Version: 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 3 to the Agreement (A-12530) with Modular Devices Inc. for the Lease Agreements for Mobile Computerized Tomography (CT), Mobile Angiography/Interventional Radiology (IR) Laboratory Services and Magnetic Resonance Imaging (MRI), to extend the term of the agreement for an additional one-year period for a revised term of August 1, 2013 through July 31, 2018 and adding \$1,754,500, for a revised total agreement amount not to exceed \$5,366,500.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 3 to the Agreement (A-12530) with Modular Devices Inc. for the Lease Agreements for Mobile Computerized Tomography (CT), Mobile Angiography/Interventional Radiology (IR) Laboratory Services and Magnetic Resonance Imaging (MRI), to extend the term of the agreement for an additional one-year period for a revised term of August 1, 2013 through July 31, 2018 and adding \$1,754,500, for a revised total agreement amount not to exceed \$5,366,500.

SUMMARY/DISCUSSION:

NMC entered into a lease agreement with Modular Devices in 2013 to provide a Mobile Computerized Tomography (CT) laboratory, a mobile Angiography/ Interventional Radiology (IR) Laboratory services and a Magnetic Resonance Imaging (MRI) mobile unit to enhance the imaging capabilities in the Diagnostic Imaging Department. The MRI and CT units currently housed internally are more than 10 years old. The imaging field has improved technology significantly over the last few years. The improved technology increases the quality while decreasing the timeframe to perform the imaging procedures. Each mobile unit offers a better scanner than our current in house scanners.

NMC currently is awaiting final construction documents from the State to begin the process of remodeling the department and replacing the equipment. The construction project has four main phases. The first phase is building out the MRI suite and the Interventional Radiology Suite. As each phase of construction is completed and the equipment is approved for use by regulatory agency, the mobile units will be phased out.

The cost of the agreement is broken down into the following equipment leases: the monthly lease for the Mobile CT is \$40,000 or \$480,000 annually; the monthly lease for the Mobile Angiography is \$31,500 or \$378,000 annually; and the monthly least for the Mobile MRI is \$48,000 or \$576,000 annually.

Due to a delay in construction, an extension is needed on the lease of the essential healthcare equipment provided in this agreement. In addition to the funds needed to extend the term, there was a miscalculation on the prior Amendment, resulting in the need of additional funds to cover the services within Amendment No. 2.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 3 as to legal form and risk provisions, and the

Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 3 has also been reviewed and approved by NMC's Finance Committee on August 25, 2016 and by its Board of Trustees on September 2, 2016.

FINANCING:

The cost for this Amendment No. 3 is \$1,754,500 which is included in the Fiscal Year 2016-17 Adopted Budget. There is no impact to the General Fund.

Prepared by: Heidi Riggenbach, Clinical Lab Manager, 772-7660

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

Modular Devices Inc. Amendment No. 3

Modular Devices Inc. Amendment No. 2

Modular Devices Inc. Amendment No. 1

Modular Devices Inc. Original Agreement

Modular Devices Inc. Spend Sheet

Attachments on file with the Clerk of the Board